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BOARD OF DIRECTORS

Sh. Raju Gupta	-	Managing Director & CEO
Sh. Dinesh Kumar Khatri	-	Whole-Time Director & CFO
Dr. Anil Jindal	-	Non Executive Director
Sh. Mukesh Goyal	-	Independent Director
Sh. Praveen Sharma	-	Independent Director
Sh. Lalit Kumar	-	Independent Director

COMPANY SECRETARY

Ms. Rakhi Mehta

AUDITORS

M/s. Naresh Jai & Associates
Chartered Accountants

BANKERS

Union Bank of India
Corporation Bank

REGD. OFFICE

SRS Multiplex, Top Floor,
City Centre, Sector-12,
Faridabad (NCR Delhi) - 121007
Ph: 0129-4282801-08
Fax: 0129-4282809-10
www.srsparivar.com

Dear Shareowners,

Welcome to your Company's 18th Annual General Meeting. I on behalf of the Board thank you for your firm support to the Company and am happy to place before you the annual results for FY 2011-12.

In the last financial year, the Company had to face strong headwinds in the face of global and domestic challenges, that had rendered the investment climate rather lacklustre. However, thanks to its diligence and strong risk-assessment expertise, your Company recorded satisfactory progress with revenue touching ₹ 2659.43 Lacs and net profit at ₹ 80.53 Lacs. The loans extended by the Company amounted to ₹ 5215 Lacs across 45 cases.

Since your Company is in the financial services domain, it is strongly impacted by macro and micro economic scenario. The year gone by was not encouraging on either of those fronts. While Europe stayed in crisis and US also had its share of problems, things on the domestic front were challenging as well, with high inflation, weakening Rupee, flight of international capital, depressed markets and slowing growth in economic activity. The good news is that the company weathered this scenario well, taking things in its stride. The fundamental strength of the Company ensured that it still put up a decent display of results.

It is expected that the world has absorbed a major shock of the international crisis, and the focus now is on shaping things better. On our own country's front, the government recognizes the need for quicker reforms and faster decision making to drive growth. Together, this makes me optimistic about our future and I am sure that I will be reporting even stronger results next year.

As I end, I extend a warm vote of thanks to you for your able support and matured view of things, enabling the Company to operate confidently. I also heartily thank the Company's able team members, auditors, bankers, vendors and everyone else associated with it for their contributions, and offer kind appreciation to the various regulatory authorities for their support.

Thank you so much.

Warm regards,



Raju Gupta
Managing Director

Notice is hereby given that 18th Annual General Meeting of the members of **SRS Finance Limited** will be held as scheduled below:-

Day : Saturday
Date : 29th September, 2012
Time : 11:30 A.M
Venue : SRS Banquet,
Near SRS Multiplex,
City Centre, Sector-12,
Faridabad (NCR Delhi) -121007

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2012 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Lalit Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sh. Praveen Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modification(s): -

"RESOLVED THAT M/s. Naresh Jai & Associates, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for auditing the Accounts of the Company for the financial year 2012 – 2013 and the Board of Directors be and is hereby authorized to fix their remuneration."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution: -

"RESOLVED THAT Dr. Anil Jindal, who was appointed as an additional Director of the Company by the Board on 1st April, 2012 and whose tenure of office expires at the ensuing Annual General Meeting pursuant to Sec.260 of the Companies Act, 1956 and in respect of whom a notice from a member proposing his name for the Directorship of the Company has been received along with a deposit of ₹ 500 for each notice under the provisions of Sec.257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. **RE-APPOINTMENT OF SH. DINESH KUMAR KHATRI AS WHOLE TIME DIRECTOR & CFO**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and as recommended by the Remuneration Committee in its meeting held on 23rd July, 2012, the consent of the members be and is hereby accorded for reappointment of Sh. Dinesh Kumar Khatri as Whole-Time Director & CFO of the Company for a further period of (3) Three Years with effect from the date of AGM i.e. 29th September, 2012 at the remuneration of ₹ 30,300/- p. m. as set out in the explanatory statement to this notice.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Sh. Dinesh Kumar Khatri will be paid the salary and perquisites as minimum remuneration not exceeding the limits specified under Section II of Part II of Schedule XIII of the Act by making such compliances as provided in the Schedule.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments and as, in its absolute discretion, may be considered necessary, expedient, desirable including power to sub delegate, in order to give effect to the foregoing resolution and to alter or vary the terms and conditions of the said appointment including the remuneration which shall not exceed ₹ 2, 00, 000/- p. m."

7. CHANGE OF NAME OF THE COMPANY

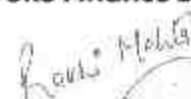
To consider and if thought fit, to pass with or without modification(s), to the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 21 of the Companies Act, 1956 and subject to the approval of Central Government, the name of the Company be changed from 'SRS Finance Limited' to 'SRS Finance & Securities Ltd.' or "SRS Finance & Investments Ltd" or "SRS Finance & Holdings Ltd" or any other available name.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all steps and actions and give such directions as they may in their absolute discretion, be deemed necessary and to sign the required document to be filed with the Registrar of Companies & to comply with other formalities required for the purpose."

Place: Faridabad
Date: 14.08.2012

By Order of the Board
For **SRS Finance Ltd.**



(Rakhi Mehta)
Company Secretary

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. A Proxy to be effective must reach at the Registered Office not later than 48 hours before the schedule time of the Meeting.
2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Information under Clause 49 of the Listing Agreement regarding reappointment of Directors in Item Nos. 2, 3, 5 & 6 of the Notice is also annexed hereto separately forming part of the Notice.
4. Members holding shares in physical mode, in identical order of names in more than one folio are requested to write to the Company's RTA at the address mentioned below at No.5 enclosing their share certificates to consolidate their holdings in one folio.
5. Please send your requests for transfer/transmission/consolidation and demat of shares, change of address or any other matter to our Registrar & Transfer Agents at the following address: -

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
BEETAL HOUSE, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi - 110062
6. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2012 to 29th September, 2012 (both days inclusive).
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Members desirous of appointing their nominee for the shares held by them may apply for the same by submitting the Nomination Form (Form 2-B) to the RTA's at the above mentioned address.
9. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on working days between 11.00 A. M. to 1.00 P. M. upto the date of ensuing Annual General Meeting.
10. Members desiring any information/clarification on the accounts are requested to write to the Company atleast 10 days in advance, so as to enable the management to keep the information ready at the Annual General Meeting.
11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
12. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
13. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members are requested to bring their copies along with them to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Dr. Anil Jindal was appointed as an Additional Director of the Company by the Board on 1st April, 2012. His tenure of office expires at the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Board feels that his continuous directorship in the Company will be in the interest of the Company. A notice from a member has been received by the Company along with the deposit of ₹ 500/- proposing his name for the directorship of the Company.

The Proposed Resolution is to be passed as an Ordinary Resolution.

None of the Directors is concerned or interested in the Proposed Resolution except Dr. Anil Jindal.

Item No. 6

Sh. Dinesh Kumar Khatri was appointed as Whole-Time Director of the Company w. e. f. 1st February, 2010 for a period of three years i.e. upto 31st January, 2013. Sh. Dinesh Kumar Khatri is a qualified & knowledgeable person having wide business experience in the field of finance. Hence, the Board of Directors of your Company has decided to reappoint him as a Whole-time Director & CFO of the Company for further period of 3 (Three) years with effect from 29th September, 2012 at a remuneration of ₹ 30,300/- p. m as set out below:-

SALARY	
Basic	- 15,150/- p.m.
House Rent Allowance	- 9,090/- p.m.
Conveyance Allowance	- 3,030/- p.m.
Medical Allowance	- 1,800/- p.m.
Education Allowance	- 1,230- p.m.
Gross Salary	- 30,300/- p. m.
CTC	- 30,300/-p.m

All the Statutory benefits applicable to the company from time to time shall be applicable as per the applicable provisions for the time being in force.

None of the Directors of the Company is interested either directly or indirectly, in the said proposal except Sh. Dinesh Kumar Khatri.

Your Board, therefore, recommends your approval for the passing of the aforesaid resolution in the interest of the efficient management of the Company.

The Proposed Resolution is to be passed as Ordinary Resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms and memorandum of interest of Directors u/s 302 (7) of the Companies Act, 1956

Item No. 7

The Board of Directors discussed that besides financing business, major source of the Company's revenues is from trading of shares, stocks & securities. Therefore, the Board of Directors decided to suitably change the name of the Company from 'SRS Finance Ltd.' to 'SRS Finance & Securities Ltd.' or "SRS Finance & Investments Ltd" or "SRS Finance & Holdings Ltd" or any other available name, as the new name would better reflect the

The Board of Directors at its meeting held on 14th August, 2012 has approved this change of name subject to its availability and the approval of the shareholders. Pursuant to Section 21 of the Companies Act, 1956, the change of name requires the shareholders approval by way of a special resolution.

The Board of Directors recommends the same for acceptance by the shareholders.

None of the Directors is concerned or interested in the aforesaid resolution.

Place: Faridabad
Date: 14.08.2012

By Order of the Board
For SRS Finance Ltd.



(Rakhi Mehta)
Company Secretary

INFORMATION UNDER CLAUSE 49(IV) (G) (i) OF THE LISTING AGREEMENT REGARDING APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Name of Director	Date of Birth	Qualification	Experience	Directorship in other Indian Public Ltd. Companies	Chairmanship/Membership of Committees of the Board of Public Ltd. Companies
Sh. Lalit Kumar	10.06.1980	B.Com, M.A, MBA, L.Ib	6 Years	1. SRS Global Securities Ltd. 2. SRS Limited 3. SRS Portfolio Ltd.	-
Sh. Praveen Sharma	13.10.1978	B.Com	12 Years	1. SRS Real Estate Limited 2. SRS Real Infrastructure Limited	As Chairman-1
Dr. Anil Jindal	20.04.1964	M.Com., MBA, CCA, Ph.D, D.Litt	26 Years	1. SRS Limited 2. SRS Real Estate Limited 3. SRS Real Infrastructure Limited 4. SRS Global Securities Ltd. 5. SRS Professional Services Ltd. 6. SRS Holdings India Ltd.	As Member-1
Sh. Dinesh Kumar Khatri	20.09.1969	B.Com., L. Lb.	More than 10 Years	-	-

Place: Faridabad
Date: 14.08.2012

By Order of the Board
For SRS Finance Ltd.


(Rakhi Mehta)
Company Secretary

INTRODUCTION

Your Directors feel pleasure in presenting the 18th Annual Report of your Company along with the Audited Accounts of the Company for the period ended 31st March, 2012.

FINANCIAL RESULTS

During the year under review, your Company registered a Net Profit after Tax of **₹ 80.53 Lacs**. The Summary of the operating results is as under: -

Particulars	(Amount in lacs)	
	31.03.2012	31.03.2011
Gross Sales/Operational Revenues	2511.26	3699.83
Other Income	148.17	38.06
Total Income	2659.43	3737.89
Profit/(Loss) before Financial Expenses, Depreciation and Tax	730.31	438.88
Interest and Financial Expenses	608.27	283.17
Profit/(Loss) before Depreciation & Tax	122.04	155.71
Depreciation	9.79	47.14
Profit/(Loss) before Tax	112.25	108.57
Provision for Tax		
- Current	22.58	45.72
- Deferred Tax	(1.81)	(3.25)
- Earlier Years	10.95	1.04
Profit after Tax	80.53	65.06
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	16.10	13.01
Profit/(Loss) brought forward from previous year	122.39	70.34
Amount carried to Balance Sheet	186.82	122.39
Earning Per Share (Rs.)		
- Basic	0.082	0.066
- Diluted	0.082	0.066

DIVIDEND

Your Directors have considered it financially prudent in the long term interest of the Company to reinvest the profits to build a strong reserve base and grow the business of the Company. No dividend has, therefore, been recommended for the year ended 31st March, 2012.

BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company and in view of the provisions of Section 256 of the Companies Act, 1956, Sh. Lalit Kumar and Sh. Praveen Sharma, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Sh. Dinesh Kumar Khatri has been reappointed as Whole- Time Director & CFO of the Company for a further period of 3 (three) years with effect from 29th September, 2012.

Dr. Anil Jindal has been appointed as an additional Director on 1st April, 2012. His tenure of office expires at the forthcoming Annual General Meeting and he is eligible for re-appointment. Notice under Section 257 of the Companies Act, 1956 has been received from a member intending to propose his appointment as Director of the Company at the ensuing Annual General Meeting.

Sh. Rajesh Mangla was appointed as an additional Director on 9th February, 2010. But due to his other preoccupations, he has resigned from the Directorship of the Company on 7th April, 2012. The Board places its sincere appreciation for the services rendered by Sh. Rajesh Mangla during his tenure of directorship.

A brief profile of Directors, containing details of Directors proposed to be appointed / reappointed as stipulated under Clause 49 of the Listing Agreement is appended to the Notice of the ensuing Annual General Meeting.

FIXED DEPOSITS

Your Company has not accepted any deposits from the Public and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended 31st March, 2012.

AUDITORS

M/s. Naresh Jai & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. Naresh Jai & Associates, Chartered Accountants, Statutory Auditors to the effect that their reappointment, if made, would be within the limits prescribed u/s 224(1-B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The observations of the Auditors and notes on the statement of accounts are self- explanatory.

RESERVE BANK OF INDIA (RBI) GUIDELINES

During the year under review, your Company has complied with all the applicable regulations of the Reserve Bank of India.

The Capital Adequacy Ratio as at 31st March, 2012 is 75.07%.

CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance and Certificate of the Auditors of your Company pursuant to Clause 49 of the Listing Agreement has been set out separately, forming part of this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Report on Management's Discussion & Analysis forming part of this report is annexed herewith.

PERSONNEL

There are no employees during the period drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956. As such, no particulars are required to be furnished.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of energy conservation and technology absorption are not applicable to the Company.

Foreign Exchange earning & outgo : NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA), the Directors of the Company confirm the following: -

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
2. that Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors of the Company wish to place on record their thanks & gratitude to the Government Authorities, Bankers, Stock Exchanges, RBI and other Financial Institutions and place on record their sincere appreciation for the efforts put in by the employees at all levels and cooperation extended by all those associated with the Company.

Place: Faridabad
Date: 14.08.2012

On Behalf of the Board
For SRS Finance Ltd.


(Raju Gupta)
Managing Director
DIN - 00006972


(Dinesh Kumar Khatri)
Whole-time Director
DIN - 00006162

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company has its inception been articulating high standards of governance and transparency both in management of affairs as well as customer relationships. With the guiding principles of honesty, sincerity, confidence and service, SRS Group has indeed come a long way in showcasing benchmarks for value based governance structure.

The Company is conscious of its responsibility as a good corporate citizen and is committed to adhere to best corporate governance practices.

The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the Management serves the short and the long term interests of shareholders and other stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

The Board comprises of Six (6) Directors – Two (2) Executive Directors and Four (4) Non- Executive Directors. Out of Four (4) Non- Executive Directors, Three (3) are Independent.

None of the Directors on the Company's Board is a member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Investor's Grievance & Share Transfer Committee) across all the Companies in which he is a Director. None of the Directors of the Company are related to each other. The appointment of the Managing/Whole-Time Director, including the tenure and terms of remuneration is also approved by the members.

Meetings of the Board of Directors

During the year under review, Eleven (11) Board Meetings were held on 19th April, 2011; 13th May, 2011; 30th June, 2011; 12th August, 2011; 31st August, 2011; 15th September, 2011; 23rd September, 2011; 15th October, 2011; 14th November, 2011; 24th December, 2012 and 14th February, 2012.

Constitution of Board and their Attendance

The Constitution of the Board of Directors, their attendance at the Board Meetings, Annual General Meeting and Directorship/Chairmanship in other companies are given below:-

Name/ Designation of Director	Category	Attendance of meetings during 2011-12		No. of positions held in other Companies		
		Board Meetings	Last AGM Held on 30th September, 2011	Other Directorships**	Committee Chairmanships of other Companies***	Committee Memberships of other Companies***
Sh. Raju Gupta – Managing Director & CEO	Executive	11	Yes	-	-	-
Sh. Dinesh Kumar Khatri – Whole- Time Director & CFO	Executive	11	Yes	-	-	-
Sh. Rajesh Mangla \$	Non – Executive	11	Yes	-	-	-
Sh. Mukesh Goyal	Non- Executive & Independent	11	Yes	-	-	-
Sh. Praveen Sharma	Non- Executive & Independent	11	Yes	2	2	-
Sh. Lalit Kumar	Non- Executive & Independent	11	Yes	3	-	-
Dr. Anil Jindal #	Non – Executive	N. A.	N. A.	6	-	1

** The Directorships held by Directors as mentioned above, do not include alternate directorships and directorships of Foreign Companies, Section 25 Companies and Pvt. Ltd. Companies.

*** Includes only Audit Committee and Shareholders / Investors Grievance Committee.

\$ Sh. Rajesh Mangla resigned w. e. f. 7th April, 2012.

Dr. Anil Jindal was appointed on 1st April, 2012.

Directors' Remuneration

The remuneration of Executive Director comprises of salary, house rent allowance, conveyance allowance, medical and other allowances, other perquisites and statutory benefits as per the policy of the Company. Non-Executive Directors are not paid any fee for attending the meetings of the Board or Committee thereof.

The details of remuneration paid/provided to the Executive Director during the financial year 2011-12 are as under: -

Sh. Raju Gupta	Managing Director & CEO	NIL
Sh. Dinesh Kumar Khatri	Whole-Time Director & CFO	₹ 3, 63,600/-

No compensation/remuneration is payable to the Directors on severance of their directorship with the Company.

During the financial year, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors.

Number of Shares held by Non-Executive Director as on 31st March, 2012

Sh. Rajesh Mangla	117600	0.119%
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3. COMMITTEES OF DIRECTORS

Audit Committee

The Audit Committee comprises of the following Three (3) Non-Executive/Independent Directors who have the requisite financial & accounting acumen & knowledge.

Sh. Lalit Kumar (Chairman)
Sh. Mukesh Goyal
Sh. Praveen Sharma

Ms. Rakhi Mehta, Company Secretary, acts as Secretary of the Audit Committee.

Meetings and Attendance

During the year under review, Five (5) meetings of the Audit Committee were held on 13th May, 2011; 12th August, 2011; 31st August, 2011; 14th November, 2011 and 14th February, 2012.

Name of Member	Designation	Category	Meetings Attended
Sh. Lalit Kumar	Chairman	Independent	5
Sh. Mukesh Goyal	Member	Independent	5
Sh. Praveen Sharma	Member	Independent	5

Representatives of Statutory Auditors and Personnel of Finance, Accounts, Secretarial, Audit and other departments are invited who are considered necessary for providing inputs to the Committee.

In the board meeting held on 13th May, 2011, the role of audit committee is enhanced, that includes the following: -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, re-appointment, replacement and removal of the statutory auditor, fixation of audit fees.

- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing with the management the annual financial statements before submission to the Board for approval, focusing primarily on the following:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Any changes in the accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Qualifications in the draft audit report
 - Significant adjustments made in the financial statements arising out of audit findings
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with listing and other legal requirements relating to financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or right issue (if applicable) and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits.
- i. Discussion with the internal auditors on any significant findings and follow-up thereon.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- k. Discussion with the statutory auditors before the audit commences, nature and scope of audit as well as post audit discussions to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- m. To review the functioning of the Whistle Blower mechanism, as and when the same will be adopted.
- n. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- o. Reviewing the Company's financial and risk management policies.
- p. Such other functions as may be considered appropriate by it or referred to it by the Board from time to time.

The Audit Committee, besides overseeing the Company's financial reporting process and reviewing the monthly, quarterly & annual financial statements before submission to the Board, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved.

The minutes of the meetings of the Audit Committee are confirmed in the next meeting of the Audit Committee and are also placed before the Board for noting.

Investors' Grievance & Share Transfer Committee

The Investors' Grievance & Share Transfer Committee oversees redressal of shareholders and investors grievances, transfer of shares, non-receipt of balance sheets and related matters. The Committee also oversees the performance of the Registrar and Share Transfer Agent, recommends measures for overall improvement in the quality of investor's services approves issue of duplicate/split/consolidation of share certificates and reviews all matters connected with the securities transfers.

During the year, 11 meetings of the Committee were held on 30th April, 2011; 10th May, 2011; 11th July, 2011; 20th July, 2011; 10th August, 2011; 20th August, 2011; 31st August, 2011; 24th September, 2011; 31st October, 2011; 31st December, 2011 and 31st March, 2012.

Name of Member	Designation	Meetings Attended
Sh. Rajesh Mangla	Chairman	11
Sh. Raju Gupta	Member	11
Sh. Dinesh Khatri	Member	11

Ms. Rakhi Mehta, Company Secretary, acts as Secretary of the Committee and is designated as Compliance Officer.

During the year 2011-12, no complaint was received from shareholders/investors and no complaint was pending at the beginning or end of the year.

Remuneration Committee

The Remuneration Committee as on 31st March, 2012 comprises of:-

Sh. Mukesh Goyal (Chairman)
Sh. Praveen Sharma
Sh. Lalit Kumar

The remuneration committee has been entrusted with the following responsibilities:-

- To determine and recommend to the Board of Directors the remuneration package of Managing Director/Whole-Time Directors; and
- To approve in the event of loss or inadequate profits in any year the minimum remuneration payable to the Managing Director/Whole Time Directors within limits and subject to the parameters as prescribed in Schedule XIII of the Companies Act, 1956.

The Company pays remuneration to Executive Directors by way of Salary, Perquisites & Retirement Benefits, based on recommendation of the Committee and requisite approvals, including approvals from the Board, Shareholders and the Central Government, if necessary.

During the year, One Remuneration Committee meeting was held on 14th February, 2012 and was attended by all the members.

4. GENERAL BODY MEETINGS

The last 3 Annual General meetings of the Company were held as under:-

- 17th Annual General Meeting - Friday, 30th September, 2011
11.30A.M
"SRS Banquet"
Near SRS Multiplex,
City Centre, Sector-12, Faridabad,
Haryana-121007
- 16th Annual General Meeting - Wednesday, 29th September, 2010
11.30A.M
"SRS Banquet"
Near SRS Multiplex,
City Centre, Sector-12, Faridabad,
Haryana-121007
- 15th Annual General Meeting - Saturday, 8th August, 2009
1:30 P.M.
Deputy Speaker Hall,
Bharatiyam', Constitution Club,
Vithalbhai Patel House,
Rafi Marg, Behind Reserve Bank of India,
New Delhi- 110001

All resolutions moved at the Last Annual General Meeting were passed unanimously by show of hands.

There were no special resolutions passed by the Company necessitating postal ballot at any of the above meetings. The following are the Special Resolution passed at the previous Annual General Meetings held in past 3 years.

AGM held on	Whether Special Resolution passed	Summary of Special Resolution
15 th Annual General Meeting held on 8 th August, 2009	Yes	Reversal of resolution passed pertaining to listing of securities at BSE & NSE
		Reversal of resolution passed pertaining to de-listing of securities from JSE & ASE

The following Extraordinary General Meetings were held during the last three years.

Year	Venue	Date	Time
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/20.03.2010	11.30 A.M
2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/28.11.2009	1.30 PM

2009-10	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Wednesday/30.09.2009	11.30 A.M
2008-09	202, 27 New Delhi House Barakhamba Road, Connaught Place, New Delhi-110001	Saturday/15.11.2008	2.30 P.M
2008-09	The Crystal' K-4, Pragati Maidan, New Delhi – 110001	Wednesday/03.09.2008	9.30 A.M.

During the year no special resolution was passed through Postal Ballot.

5. SECRETARIAL AUDIT

Secretarial Audit is being carried out by Company Secretary in Practice on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number in physical form and the total number of dematerialized shares held with NSDL and CDSL.

This audit, as process, acts both as a preventive check as well as verification of compliance with various applicable corporate and securities laws.

6. CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct applicable to all Board Members and Senior Management Personnel and they have affirmed their Compliances with the said code during the year under review. The Code has been drafted considering the three interlinked fundamental principles i.e. good corporate governance, good corporate citizenship and exemplary personal conduct. As required, the declaration by the Managing Director under Clause 49 affirming compliance with the code of conduct by all members of the Board and Senior Management Personnel for the year ended 31st March, 2012 is annexed to this Corporate Governance Report.

The Code of Conduct has been displayed on the Group's website at www.srsparivar.com.

Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practice

Your Company has adopted the Code of Conduct for Prevention of Insider Trading & Corporate Disclosure Practices. This Code prohibits the purchase/sale of shares of the Company by employees in possession of unpublished price sensitive information pertaining to the Company.

This Code is applicable to all the Directors, Senior Management Personnel, Business Heads and such other employees of the Company who are expected to have access to unpublished price sensitive information.

7. MATERIAL DISCLOSURES

• **Related Party Transactions**

Related parties and transactions with them as required under Accounting Standard-18 are given under Note No.2.35 of the Notes to the Accounts attached with financial statements for the year ended 31st March, 2012. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

• **Legal Compliances**

The Company has complied with all applicable rules & regulations prescribed by Stock Exchanges, RBI and/or any other statutory authority during the preceding three (3) years on all the matters related to capital market.

Risk Assessment And Minimization Procedures

The Board/Audit Committee on regular intervals reviews the risks and make plans to mitigate the same.

• **Conflict of interest**

Based on the Disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions where in they had personal interest that could have a conflict with the interest of the Company at large.

• **CEO and CFO Certification**

A certificate, in accordance with the requirements of Clause 49(V) of the Listing Agreement, duly signed by the Managing Director (CEO) and Chief Financial Officer (CFO) in respect of the year under review was placed before the Board and taken on record by it.

• **Compliances**

The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) and, to the best of its knowledge; there are no deviations in the accounting treatments which require specific disclosure. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement as applicable. The non-mandatory requirements are not being complied with for the time being.

8. MEANS OF COMMUNICATION

The quarterly/half yearly and annual financial results of the Company are generally published in The Pioneer/Business Standard in English and Hari Bhoomi/Veer Arjun in Hindi for the information of all the Shareholders. In addition, the quarterly/half yearly and annual financial results are posted on the Group's website at www.srsparivar.com.

All material information about the Company is promptly sent to the stock exchanges and regular notices/updates are given/provided to the media and shareholders about its financial as well as other developments.

Annual Report containing inter-alia Audited Accounts, Directors' Report, Corporate Governance Report, Management Discussion & Analysis Report and all other important information is sent to the shareholders and others entitled thereto.

9. GENERAL SHAREHOLDER INFORMATION

- a) 18th Annual General Meeting
 - Day & Date Saturday, 29th September, 2012
 - Time 11.30 A.M
 - Venue "SRS Banquet"
 Near SRS Multiplex,
 City Centre, Sector-12,
 Faridabad,
 NCR Delhi-121007
- No Special Resolution is proposed to be conducted by postal ballot.
- b) Financial Year 1st April to 31st March
- c) Book Closure 25th September, 2012 to 29th September, 2012
 (both days inclusive).
- d) Listing at Stock Exchanges
- Delhi Stock Exchange Ltd.
 DSE House, 3/1 Asaf Ali Road,
 New Delhi – 110002
 Ph. No.-011-23292417-418
 Fax No.-011-23292181
- Jaipur Stock Exchange Limited
 Stock Exchange Building,
 JLN Marg, Malviya Nagar,
 Jaipur – 302017
 Ph. No.-0141-2729094
 Fax No.-0141-2729082
- Ahmedabad Stock Exchange Limited
 Kamdhenu Complex,
 Opp. Sahajanand College,
 Panjara Pole, Ambawadi,
 Ahmedabad – 380015
 Ph. No.-079-26307971-74
 Fax No.-079-26308877
 Website – www.aseindia.org
- e) Registrar and Transfer Agents
- BEETAL FINANCIAL & COMPUTER
 SERVICES (P) LTD.
 BEETAL HOUSE, 3rd Floor,
 99, Madangir, Behind Local Shopping Centre,
 New Delhi – 110062

To expedite the share transfer, Shareholders/Investors' Grievance Committee is constituted to authorize all the transfers; transmission etc. and all shares transfer/transmission/transposition are handled by our RTA's.

f) **Key financial reporting details for the financial year (F.Y) 2011-12**

Un-Audited results for the First quarter ended 30 th June, 2011	:	12 th August, 2011
Unaudited results for the Second quarter/Half year Ended 30 th September, 2011	:	14 th November, 2011
Unaudited results for the Third quarter Ended 31 st December, 2011	:	14 th February, 2012
Unaudited results for the Fourth quarter Ended 31 st March, 2012	:	14 th May, 2012
Audited results for the Financial Year ended 31 st March, 2012	:	23 rd July, 2012

g) **Dematerialization of Shares**

The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company is INE002J01019.

As on 31st March, 2012, 97420483 equity shares equivalent to 99.285% of total equity are held in dematerialized form with NSDL and CDSL.

h) **Distribution of Shareholding**

Shareholding Of Nominal Value	No. of Shareholders	%	No. of Shares	Amount (in ₹)	%
UPTO 5000	479	71.49	25,738	2,57,380.00	0.0262
5001 TO 10000	13	1.94	11,310	1,13,100.00	0.0115
10001 TO 20000	12	1.79	16,910	1,69,100.00	0.0172
20001 TO 30000	1	0.15	2,700	27,000.00	0.0028
30001 TO 40000	1	0.15	3,200	32,000.00	0.0033
40001 TO 50000	2	0.30	10,000	1,00,000.00	0.0102
50001 TO 100000	29	4.33	2,18,878	21,88,780.00	0.2231
100001 AND ABOVE	133	19.85	9,78,32,857	97,83,28,570.00	99.7057
TOTAL	670	100.00	9,81,21,593	98,12,15,930.00	100.0000

- i) All requests and other communications/correspondence should be sent at the Company's Registered Office at: -

Ms. Rakhi Mehta
 Company Secretary
 SRS Finance Ltd.
 SRS Multiplex, Top Floor,
 City Centre, Sector-12,
 Faridabad - 121007
 Ph.0129-4282845
 Fax 0129-4036560
 Email:rakhimehta@srsparivar.com

10. COMPLIANCE CERTIFICATE FROM THE AUDITORS

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement. The certificate is annexed.

Place: Faridabad
 Date: 14.08.2012

On Behalf of the Board
For SRS Finance Ltd.


(Raju Gupta)
 Managing Director
 DIN - 00006972


(Dinesh Kumar Khatri)
 Whole-Time Director
 DIN - 00006162

Indian Economy Overview

Indian economy was till recently the poster boy of economic upswing, and was considered to be a key growth driver of global economy, with its name taken respectfully along with China in many discussions. 2010-11 started with a strong note of optimism on the back of 8% plus GDP growth, current account deficit at about 2.5% and fiscal deficit of under 5% as well as a swelling forex inflows. However, the situation took a dramatic turn over the last one year, and the poster boy of yesterday stands virtually dismissed today. Domestic and International circles are concerned, yet it is felt that India can make a smart comeback with confident policy decisions on key matters, financial discipline and fast-tracking of reforms.

The Indian economy has its own set of issues, but it will be fair to say that external factor too have played havoc with it. The debt crisis in the European Union coupled with the slowdown in the advanced economies of US and Japan has led to a global rebalancing of portfolios. Since India's economy is closely linked to the international economy, the slowdown in these advanced economies had a dampening effect on India as well. While earlier the strong domestic economy had insulated the country, this was not the case this time around. High and stubborn double-digit inflation forced a regime of interest rate hike, which eventually claimed the growth rate as its first victim. Further weak governance ensured that major policy reforms stayed in limbo, slowing down the economy further because of absence of any triggers or growth roadmap. FDI came to a grinding halt and governance became a game of political balancing rather than triggering growth.

All this took a toll. The GDP growth in FY 2011-12 came screeching down to 6.5% from an impressive 8.5% in the year before. The growth rate of eight infrastructure sectors slowed down to 2.2 per cent and falling demand for capital goods signaled a decrease in investments as well. Going ahead, getting back to a growth rate of 8% plus seems like a big challenge. There is consensus that a higher growth can only happen if economic reforms take a front seat in the overall scheme of things.

The Capital Markets

Demolition to Exhilaration to Deceleration. Perhaps this is a grim, yet precise description of the Indian stock markets from 2008 till today, making the patches of a bull run witnessed in 2009-10 seem like a distant memory. Recovering from the slowdown of 2008, the Sensex rose to a level of 15000 in January '09 to further leap to 21000 in November next year and then started a downward spiral which brought it down to a 16-17000 level that we are witnessing these days, and that too amidst extreme volatility.

Along with a range-bound and erratic stock market comes a scenario of poor sentiments and optimism regarding the immediate and near term. The market has had too many factors to make it jittery – from the European crisis to the lack of political stability to a breakdown of cohesive policy-making and reforms. Each one of these was like a mini shocker for the markets and kept it under pressure. But the situation was complicated further by several other matters that left the domestic and international investor shaken. This included the GAAR and the telecom 2G scam and the Supreme Court's cancellation of the said auction which dealt body blow to the investment climate.

Importantly, FIIs, who have become the prime movers of the stock markets, along with other investor sets, turned from risk-seekers to risk-averse. This coupled with the falling attractiveness of the Indian markets compared to other emerging markets led to a flight of capital inflows. As per SEBI, FIIs made a net investment of ₹ 47,935 crore in the equity market during the fiscal ended March 31, 2012, way below the figure of ₹ 1.1 lakh crore in 2010-11 and ₹ 96,857 crore during 2009-10.

Overall, the markets remain subdued and did not reward the investors much. IPO's turned out to deliver negative returns and the resource mobilized the primary markets fell to ₹ 16342 crores in first six months of 2011-12 from ₹ 18741 crores in the corresponding period of the previous year. Secondary markets also did not fare too well and saw the market-cap to GDP ratio falling to 64.26% in September 2011 from 88.36% a year ago.

Now what the market desperately needs is a break-out. And that will not come easy with half-hearted and cosmetic efforts. Instead, it will require firm steps from the government on industry reforms, fiscal discipline and infrastructure development to give a fillip to the entire economy. The stock markets are just the barometer of the economy, and so shall soon charter a growth path once the economy shapes up for overall development and progress.

Company Overview

Considering the overall challenging macro economic factors, your Company put up a satisfactory show in FY 2011-12. The core activities undertaken by the Company were retail and corporate financing, trading in shares and loan syndication.

Retail Financing and Loan Syndication

The Company extended loans worth ₹ 52.15 Crores across 45 cases, representing an average loan size of ₹ 1.16 Crores. This had two benefits – one, it enabled the company to have higher average loan sizes and minimized logistical work, and secondly, it enabled it to save itself from the risk of extending small value loans to a larger base, that could have resulted into a higher default rate. Hence, this helped the Company in its risk-management efforts as well.

The Company's registration with the Experian Credit Information Company of India Pvt. Ltd. allowed the company to better its risk-management expertise.

Trading of Shares

The Company carried out its share trading activity with great caution. However, the markets behaved in an unanticipated manner and continued on a stagnant to downward spiral, with a typical movements of equity. The Company thus focused on capital preservation, but still took positions considering the fact that share trading was an important activity, and could not be brought to a complete standstill on account of the depressed prevailing scenario.

Way Ahead

In recent times, your Company brought in greater focus to the financing activities and had a good experience with it. The securities business also proved to be promising, and encouraged by the results, the Company has enhanced its portfolio as well. Going forward, the NBFC status of the Company will enable it to gather further strength and volumes, along with increased profitability.

The Company's strength in risk-assessment will enable it to widen its lending base significantly to enhance its spread and profitability. The Company also intends to tap the pool of over 3000 employees of the SRS Group – this is a promising opportunity as loans extended to the staff are very secure and linked to their salary as well. In all, the Company aims to leverage its rich expertise honed right through 1985 and its strong standing in the local geographical region to expand profitably by delivering greater value to consumers.

Performance Review

In the year 2011-12 the revenue of your Company stood at ₹ 2659.43 Lacs with net profit after tax of ₹ 80.53 Lacs. The Company's track record in assessing the profile has been exceptionally good.

Human Resources

Your Company believes that people are its most significant resource and endeavors to provide an environment which encourages and enables talented professionals to perform to their fullest. Skill gaps, if any, are identified and proper training including professional & technical training is imparted through internal workshops as well as external agencies. The Company's HR measures revolve around this philosophy. As on 31st March, 2012, there were 14 employees on the payrolls of the Company.

Internal Control Systems And Their Adequacy

Your Company has an adequate system of internal controls to safeguard and protect from loss or unauthorized use of its assets. All transactions are properly authorized, recorded and reported besides adhering to Accounting Standards for properly maintaining books of accounts and reporting financial statements.

Your Company has also appointed Internal Auditors to review various areas of operations with the reports thus generated reviewed periodically by the Management and the Audit Committee of the Board.

Cautionary Statements

Statements in this Management Discussion and Analysis describing Company's objectives, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual Results might differ substantially or materially from those expressed or implied. Important factors that could influence the Company's operations include global and domestic financial conditions, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Place: Faridabad
Date: 14.08.2012

On Behalf of the Board
For SRS Finance Ltd.



(Raju Gupta)
Managing Director
DIN - 00006972



(Dinesh Kumar Khatri)
Whole-time Director
DIN - 00006162

CERTIFICATION BY MD & CFO OF THE COMPANY

We, Raju Gupta, Managing Director and Dinesh Kumar Khatri, Whole Time Director & CFO, of 'SRS Finance Limited', to the best of our Knowledge and belief, certify that:

1. We, have reviewed the Financial Statements and Cash Flow Statements for the year and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, wherever applicable:
 - a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;
 - b) Significant changes in internal control over financial reporting during the year;
 - c) Significant changes in accounting policy during the year and that the same have been disclosed in the notes to the financial statements.
 - d) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Faridabad
Date: 14.08.2012


(Raju Gupta)
Managing Director


(Dinesh Kumar Khatri)
Whole Time Director &
Chief Financial Officer

Declaration regarding compliance with the code of conduct of the Company by Board members and senior management personnel

This is to confirm that the company has adopted Code of Conduct for the Board of Directors and senior management personnel of the company.

I declare that the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

Place: Faridabad
Date: 14.08.2012


(Raju Gupta)
MD & CEO

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
SRS Finance Ltd.

We have examined the Compliance of Corporate Governance by SRS Finance Ltd. (the Company) for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Naresh Jai & Associates
Chartered Accountants



Naresh Goyal
Partner
Membership No.501487

Place: Faridabad
Date: 14.08.2012

AUDITORS' CERTIFICATE (NBFC AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2008)

To the Board of Directors of SRS Finance Limited

As required by clause 2 of the "Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", we state that:

- i. The Company is engaged in the business of non-banking financial institution & has obtained the certificate of registration dated 31st December 2009 from the Reserve Bank of India.
- ii. The Company is entitled to continue to hold the certificate of registration in terms of its asset/income pattern as on 31st March, 2012.
- iii. The Company is not classified as an Asset Finance Company during the year ended 31st March, 2012.
- iv. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
- v. The Company has not accepted any public deposits during the year ended 31st March, 2012.
- vi. According to the information & explanations given to us, the Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification & provisioning for bad & doubtful debts as applicable to it in terms of Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- vii. According to the information & explanations given to us, the capital adequacy ratio as disclosed in the return submitted to the bank in form NBS-7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Reserve Bank of India.
- viii. The Company has furnished the Reserve Bank of India the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period.

For **Naresh Jai & Associates**

Chartered Accountants
Firm Regn. No. 019082N



CA Naresh Goyal

(Partner)

Membership No. 501487

Place: Faridabad

Date: 23.07.2012

To,

The Members of
SRS FINANCE LIMITED,
Faridabad.

1. We have audited the attached Balance Sheet of **SRS FINANCE LIMITED** ('the Company') as at 31st March 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] [hereinafter referred to as 'Order'] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Naresh Jai & Associates**
Chartered Accountants
Firm Regn. No. 019082N



CA Naresh Goyal
(Partner)
Membership No. 501487

Place: Faridabad
Date: 23.07.2012

Referred to in paragraph 3 of our report of even date

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No discrepancies were noticed on such verification as compared to book records.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.
- ii. (a) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the stock records and the financial records.
- (b) The Company is a NBFC and has not dealt with any goods and the Company does not hold any inventory except Inventory of Securities during the year under audit. Accordingly, the provisions of clause 4(ii) of the order, regarding physical verification of Inventory are not applicable to the Company.
- iii. (a) As per the information and explanations provided to us, the Company has granted loan to 3 Companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was ₹ 520.95 lacs and the year-end balance of loans given from such parties was Nil.
- (b) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (c) The repayment of the principal amount of loan given and interest has been regular.
- (d) There is no overdue amount in excess of rupees one lakh in respect of loans of the aforesaid parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loan from 2 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2265.50 lacs and the year-end balance of loans taken from such parties was ₹ Nil.
- (f) In our opinion, the rate of interest wherever stipulated, and other terms and conditions for such loans taken from companies listed in the register maintained under section 301 of the Companies Act 1956 are not, prima facie prejudicial to the interest of the company.
- (g) The repayment of the principal amount of loan taken and interest has been regular.
- iv. In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.

- v. (a) According to information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business and activities.
- viii. According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of business carried out by the Company. Therefore, provisions of Clause 4(viii) of the Order are not applicable to the Company.
- ix. (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrear as at 31st March 2012 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, except the dues given in table below, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.

Nature of dues	Amount in Lacs	Year	Deposited under protest	Forum where dispute is pending
Income Tax	23.77	1996-97	12.00	ITAT, New Delhi
Income Tax	23.15	2008-09	11.58	Commissioner Appeal

- x. The company has no accumulated losses as at 31st March 2012 and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its Bankers. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.

- xii. In our opinion and according to the information & explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company has maintained proper records of transactions for dealing in or trading in shares, securities and other investments and shares and other securities have been held by the company in its own name.
- xv. As per the information and explanations given to us, the Company has given corporate guarantee of ₹ 2500 lacs for loan taken by SRS Limited from bank and ₹ 3090 lacs for loan taken by SRS Real Infrastructure Limited from bank and terms and conditions of such corporate guarantees are not prejudicial to the interest of the Company.
- xvi. To the best of our information and knowledge and as per records verified by us, the Company has applied the term loan for the purpose for which loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year. Therefore, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Naresh Jai & Associates

Chartered Accountants
Firm Regn. No. 019082N



CA Naresh Goyal

(Partner)
Membership No. 501487

Place: Faridabad
Date: 23.07.2012

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in ₹)

Particulars	Note No.	31-Mar-12	31-Mar-11
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.1	981,215,930	981,215,930
Reserves and Surplus	2.2	188,611,414	180,557,749
		1,169,827,344	1,161,773,679
Non-Current Liabilities			
Long-Term Borrowings	2.3	1,694,774	1,009,624
Deferred Tax Liability (net) (Refer Note No. 2.32)		206,332	388,118
Long-Term Provisions	2.4	527,284	484,739
		2,428,390	1,882,481
Current Liabilities			
Short-Term Borrowings	2.5	374,258,805	249,972,023
Trade Payables (Refer Note No. 2.26)		30,825	1,288,960
Other Current Liabilities	2.6	2,060,372	2,678,635
Short-Term Provisions	2.7	26,221	48,740
		376,376,223	253,988,358
Total		1,548,631,957	1,417,644,518
ASSETS			
Non-Current Assets			
Fixed Assets			
-Tangible Assets	2.8	16,856,697	15,121,546
Non-Current Investment	2.9	780,127,100	626,302,200
Long-Term Loans & Advances	2.10	448,480,537	202,828,314
Other Non-Current Assets	2.11	11,842,000	2,394,269
		1,257,306,334	846,646,329
Current Assets			
Inventories	2.12	202,666,877	264,065,803
Trade Receivables	2.13	505,000	141,831
Cash & Cash Equivalents	2.14	1,296,934	2,090,496
Short-Term Loans & Advances	2.15	86,815,795	304,656,469
Other Current Assets	2.16	41,017	43,590
		291,325,623	570,998,189
Total		1,548,631,957	1,417,644,518
Significant Accounting Policies	1		

Accompanying Notes from 2.1 to 2.37 are
integral part of the Financial Statements

As per our report of even date attached.

For Naresh Jai & Associates

(Chartered Accountants)

Firm Regn. No. 019082N



(CA Naresh Goyal)

Partner

M. No. 501487

Place: Faridabad

Date: 23.07.2012

For and on behalf of the Board



(Raju Gupta)
(Managing Director)
DIN-00006972



(Dinesh Kumar Khatri)
(Whole Time Director)
DIN-00006162



(Rakhi Mehta)
(Company Secretary)
Membership No. 19978

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)

Particulars	Note No.	31-Mar-12	31-Mar-11
Income			
Revenue from Operations	2.17	251,125,895	369,983,173
Other Income	2.18	14,817,566	3,806,467
Total		265,943,461	373,789,640
Expenses			
Purchase of Stock-in-Trade		108,838,737	321,662,599
Change in Inventories	2.19	61,398,923	(14,124,492)
Employee Benefit Expense	2.20	5,641,312	5,410,014
Finance Cost	2.21	60,826,907	28,317,547
Depreciation	2.8	979,338	4,713,773
Other Expenses	2.22	17,033,302	16,952,959
Total		254,718,519	362,932,400
Profit before Tax		11,224,942	10,857,240
Less: Provision for Taxation:			
- Current		2,257,910	4,571,830
- Earlier years		1,095,154	104,333
- Deferred		(181,787)	(324,916)
Total Tax Expenses		3,171,277	4,351,247
Profit after Tax		8,053,665	6,505,993
Earning per Share (Face Value Rs. 10) (Refer Note No. 2.36) (Basic & Diluted)		0.082	0.066

Significant Accounting Policies

1

Accompanying Notes from 2.1 to 2.37 are
integral part of the Financial Statements

As per our report of even date attached.

For Naresh Jai & Associates

(Chartered Accountants)

Firm Regn. No. 019082N




(CA Naresh Goyal)

Partner

M. No. 501487

Place: Faridabad

Date: 23.07.2012

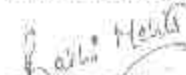
For and on behalf of the Board



Raju Gupta
(Managing Director)
DIN-00006972



Dinesh Kumar Khatri
(Whole Time Director)
DIN-00006162



Rakhi Mehta
(Company Secretary)
Membership No. 19978

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Sr. No.	Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
A	<u>Cash Flow From Operating Activities</u>		
	Net Profit/(Loss) Before Tax (as per Profit & Loss Account)	11,224,942	10,857,240
	Adjustment For:		
	Depreciation	979,338	4,713,773
	Interest Paid	60,826,907	28,317,548
	Provision for diminution in value of Investment	-	(9,340)
	Loss/(Profit) on sale of Fixed Assets	63,182	(120,412)
	Loss/(Profit) on sale of Current Investment	(10,486,450)	(50,800)
	Dividend Income	(3,654,115)	(1,774,717)
	Interest Received	(60,932,475)	(58,363,389)
	Operating Profit Before Working Capital Change	(1,978,671)	(16,430,097)
	Adjustment For:		
	Trade and Other Receivable	(33,798,592)	407,755,581
	Inventories	61,398,926	(14,124,492)
	Trade Payable and Other Liabilities	(1,856,372)	(55,605,103)
	Cash Generated From Operations	23,765,291	321,595,889
	Direct Taxes Paid	(7,174,346)	(6,149,495)
	Net Cash From Operating Activities	16,590,945	315,446,394
B	<u>Cash Flow From Investing Activities</u>		
	Purchases of Fixed Assets	(2,862,672)	(7,999,542)
	Proceeds from Sale of Fixed Assets	85,000	10,763,856
	Purchases of Investments	(424,887,900)	(620,360,300)
	Sales of Investments	281,549,450	236,032,540
	Dividend Income	3,654,115	1,774,717
	Interest Received	60,932,475	58,363,389
	Net Cash Used In Investing Activities	(81,529,532)	(321,425,340)
C	<u>Cash Flow From Financing Activities</u>		
	Proceed From Long Term Borrowings	685,150	1,650,360
	Proceed From Short Term Borrowing (Net)	124,286,782	25,563,642
	Interest Paid	(60,826,907)	(28,317,548)
	Net Cash Used In Financing Activities	64,145,025	(1,103,546)
	Net Increase In Cash And Cash Equivalent	(793,562)	(7,082,492)
	Cash & Cash Equivalent at the beginning of the year	2,090,496	9,172,989
	Cash & Cash Equivalent at the end of the year	1,296,934	2,090,497
	Net Increase In Cash And Cash Equivalents	(793,562)	(7,082,492)

**As per our Report of even date annexed
For Naresh Jai & Associates**
(Chartered Accountants)
Firm Regon. No. 019082N



(CA Naresh Goyal)
Partner
Membership No.: 501487

Place: Faridabad
Date: 23.07.2012

For and on behalf of the Board

(Raju Gupta)
Managing Director
DIN-00006972

(Dinesh Kumar Khatri)
Whole Time Director
DIN-00006162

(Rakhi Mehta)
Company Secretary
Membership No. 19978

Significant Accounting Policies and Notes to Accounts

1. Significant Accounting Policies

1.1 Accounting Conventions

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the said Act. The accounting policies, except otherwise stated, have been consistently applied by the Company.

1.2 Use of Estimates

The presentation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/ materialized.

1.3 Revenue Recognition

- a) Revenue from interest on short-term and long-term loans is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- b) Income from service is recognized as per the terms of contract on accrual basis.
- c) Other revenues are recognized on accrual basis.
- d) Company complies with the guidelines issued by the RBI in respect of prudential norms for income recognition and provisioning for non-performing assets.

1.4 Fixed Assets, Capital Work in Progress and Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition/purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the assets is ready for its intended use. Credit of duty, if available, is adjusted in the acquisition cost of the respective fixed assets.

Capital Work-in-Progress, including capital advances, is carried at cost, comprising direct cost, related incidental expenses and interest on borrowings to the extent attributed to them.

Intangible assets are recognized as per the criteria specified in Accounting Standard-26 "Intangible Assets" and recorded at the consideration paid for acquisition.

1.5 Investments

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

1.6 Inventories

Inventories are valued at lower of cost and net realizable value.

Cost of Inventories is determined on First in First out (FIFO) basis in the ordinary course of business.

1.7 Taxation

Income tax expenses are accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax as stated below:

Current Tax

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax

Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.8 Retirement and other employee benefits

Retirement benefits are accounted for on accrual basis in respect of Provident Fund, defined contribution scheme, with contribution charged against revenue each year.

Gratuity liability and Leave Encashment are defined benefit obligations and provided for on the basis of an actuarial valuation made at the end of each financial year.

1.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals on accruals of past or future cash receipts or payments. The cash flows from operating, financing, and investing activities of the company are segregated.

1.10 Earning Per Share

Earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

In determining earning per share, the company considers the net profit after tax. The number of shares used in computing the earning per share is the weighted average of number of shares outstanding during the accounting period. Earning per share is presented on annualized basis unless otherwise stated.

1.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

1.12 Depreciation on Fixed Assets and Amortization

Depreciation on fixed assets is applied on straight-line basis as per the rates and manner specified in Schedule XIV to the Companies Act, 1956 on pro rata basis.

Depreciation on fixed assets costing upto ₹ 5000/- is provided @100% over a period of one year.

Intangible Assets are amortized over the useful life of the assets or ten years, whichever is earlier. Goodwill on amalgamation is written off over a period of three years.

Depreciation on leasehold improvements is charged over the period of lease.

1.13 Foreign Exchange Transaction

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported are recognized as income/expense in the period in which they arise.

Non-monetary items are carried at cost.

1.14 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are considered as part of the cost of Assets/Projects. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the Profit and Loss Account in the year in which incurred.

1.15 Leases

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Operating lease payments are recognized as expenses in the Profit and Loss Account on a straight-line basis over the lease term.

1.16 Impairment of Assets

An asset is impaired if there are sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed is recognized in the accounts in the relevant year.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	31- Mar - 2012	31- Mar - 2011
Note 2.1: Share Capital		
Authorised		
12,50,00,000 Equity Shares of Rs.10/- (PY Rs.10/-) each	<u>1,250,000,000</u>	<u>1,250,000,000</u>
Issued, Subscribed & Paid-up		
9,81,21,593 Equity Shares of Rs.10/- (PY Rs.10/-) each fully paid up	<u>981,215,930</u>	<u>981,215,930</u>
Quantitative Reconciliation of Shares Outstanding		
No. of Shares Outstanding at the beginning of the year	98,121,593	98,121,593
Add : No. of Shares Issued	-	-
No. of Shares Outstanding at the end of year	<u>98,121,593</u>	<u>98,121,593</u>

The following holds more than 5% in equity shares of the company

Name of Shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Jindal	7,068,933	7.2	7,068,933	7.2

Note 2.2: Reserves and Surplus Securities Premium Account

Add: Addition during the year	165,000,000	165,000,000
Balance at the end of the year	<u>165,000,000</u>	<u>165,000,000</u>

Special Reserve - RBI Act

Add: Addition during the year	3,318,939	2,017,740
Balance at the end of the year	<u>4,929,672</u>	<u>3,318,939</u>

Profit and Loss Account

Add: Profit for the Year	12,238,810	7,034,016
Less: Transfer to Special Reserve -RBI Act	8,053,665	6,505,993
Balance at the end of the year	<u>18,681,742</u>	<u>12,238,810</u>
	<u>188,611,414</u>	<u>180,557,749</u>

Note 2.3: Long Term Borrowing

Term Loans :

-From Bank (Secured)*	1,694,774	1,009,624
*(refer Note No. 2.24 of Notes to the Financial Statements)	<u>1,694,774</u>	<u>1,009,624</u>

Note 2.4: Long Term Provision

Provision for Employee Benefits	527,284	484,739
	<u>527,284</u>	<u>484,739</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	31-Mar-2012	31-Mar-2011
Note 2.5: Short Term Borrowings		
- From Bank (Secured)		
- Cash Credit Facility*	245,543,280	99,525,475
-From Others (Secured)		
-Loan against Securities (LAS)*	128,715,525	150,446,548
	374,258,805	249,972,023
*(refer Note No. 2.24 of Notes to the Financial Statements)		
Note 2.6: Other Current Liability		
Current Maturities on Long Term Debts	1,291,476	640,736.00
Interest Accrued but not due	23,373	-
Other Payable		
-Employee	397,855	476,135
-Auditors	290,394	189,270
-Sales Tax & Withholding Taxes	57,274	1,372,494
	2,060,372	2,678,635
Note 2.7: Short Term Provision		
Provision for Employee Benefits	26,221	48,740
	26,221	48,740

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

Note - 2.8 : Fixed Assets

- Tangible Assets

(Amount in ₹)

Name of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2011	Addition During the year	Sale/trf. During the year	Upto 31.03.2012	As at 01.04.2011	Depreciation for the Year	Adjustment on Sale/ Transfer	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Plant and Machinery	40,850	41,554	-	82,404	5,688	2,694	-	8,382	74,022	35,162
Vehicles	9,896,374	2,498,938	203,623	12,191,689	2,093,291	948,656	55,439	2,986,508	9,205,181	7,803,083
Land	6,995,000	-	-	6,995,000	-	-	-	-	6,995,000	6,995,000
Building	317,313	-	-	317,313	44,223	5,173	-	49,396	267,917	273,090
Small Misc. Assets	4,859	-	4,859	-	4,859	-	4,859	-	-	-
Computers	15,750	322,180	-	337,930	538	22,815	-	23,353	314,577	15,211
Current Year	17,270,146	2,862,672	208,482	19,924,336	2,148,599	979,338	60,298	3,067,639	16,856,697	15,121,546
Previous Year	20,658,523	7,999,542	11,387,919	17,270,145	1,931,635	961,438	744,474	2,148,599	15,121,546	-

-Intangible Assets

Name of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2011	Addition During the year	Sale/trf. During the year	Upto 31.03.2012	As at 01.04.2011	Depreciation for the Year	Adjustment on Sale/ Transfer	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Goodwill	11,257,004	-	11,257,004	-	11,257,004	-	11,257,004	-	-	-
Current Year	11,257,004	-	11,257,004	-	11,257,004	-	11,257,004	-	-	-
Previous Year	11,257,004	-	-	11,257,004	7,504,669	3,752,335	-	11,257,004	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

(Amount in ₹)

PARTICULARS	31-Mar-12	31-Mar-11
Note:-2.9: INVESTMENTS		
Long Term, Unquoted, Non-Trade - At Cost		
1).Aakash Infratrade Pvt. Ltd. 1,12,443 (Previous year 78,091) equity shares of Rs.10/- each	53,666,500.00	39,045,500.00
2). Ahead Enterprises Ltd. 2,95,000 (Previous year 2,95,000) equity shares of Rs.10/- each	59,000,000.00	59,000,000.00
3).Daksh Developers Pvt. Ltd. Nil (Previous year 41,100) equity shares of Rs.10/- each	-	20,550,000.00
4). First Realtrade Pvt. Ltd. 91,104 (Previous year 65,048) equity shares of Rs.10/- each	45,552,000.00	32,524,000.00
5).Goldfeild Sales Agencies Ltd. 18,784 (Previous year 37,484) equity shares of Rs.10/- each	9,392,000.00	18,742,000.00
6).Kalakriti Engineers India Ltd. 9,563 (Previous year 77,300) equity shares of Rs.10/- each	4,781,500.00	38,650,000.00
7).Nakshatra Realtech Pvt. Ltd. Nil (Previous year 4,416) equity shares of Rs.10/- each	-	2,208,000.00
8).Perfect Realtech Pvt. Ltd. Nil (Previous year 31,700) equity shares of Rs.10/- each	-	15,850,000.00
9).Rudraksha Agencies Company Ltd. 10,200 (Previous year 4,800) equity shares of Rs.10/- each	5,100,000.00	2,400,000.00
10). Souda Securities Pvt. Ltd. 1,14,100 (Previous year 1,09,700) equity shares of Rs.10/- each	46,080,000.00	43,880,000.00
11). SRS Portfolio Ltd. 1,40,243 (Previous year 1,40,243) equity shares of Rs.10/- each	66,368,800.00	66,368,800.00
12). Sundawn Builders Pvt. Ltd. Nil (Previous year 29,220) equity shares of Rs.10/- each	-	14,610,000.00
13).Swami Foods Ltd. 54,067 (Previous year 54,067) equity shares of Rs.10/- each	27,033,500.00	27,033,500.00
14). Swami Hitech Projects Ltd. 17,960 (Previous year 16,790) equity shares of Rs.10/- each	8,980,000.00	8,395,000.00
15). Three Brothers Entertainment Ltd. Nil (Previous year 36,749) equity shares of Rs.10/- each	-	18,374,500.00
16). Uday Infratrade Pvt. Ltd. Nil (Previous year 13,400) equity shares of Rs.10/- each	-	6,700,000.00
17). SRS Mines & Minerals Ltd. Nil (Previous year 71,666) equity shares of Rs.10/- each	-	21,994,000.00

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31-Mar-12	31-Mar-11
18). SRS Commercial Company Ltd. Nil (Previous year 8,688) equity shares of Rs.10/- each	-	4,344,000.00
19). SRS Communications Pvt. Ltd. Nil (Previous year 62,751) equity shares of Rs.10/- each	-	18,078,000.00
20). SRS Computech Ltd. 75,238 (Previous year 57,238) equity shares of Rs.10/- each	31,205,000.00	22,205,000.00
21). SRS Facilities Pvt. Ltd. Nil (Previous year 80,263) equity shares of Rs.10/- each	-	40,131,500.00
22). SRS Infrastructure Ltd. Nil (Previous year 10,000) equity shares of Rs.10/- each	-	5,000,000.00
23). SRS International Ltd. Nil (Previous year 1,01,994) equity shares of Rs.10/- each	-	50,997,000.00
24). SRS IT Solutions Pvt. Ltd. 81,937 (Previous year 81,937) equity shares of Rs.10/- each	27,864,500.00	27,864,500.00
25). SRS News Ltd. Nil (Previous year 14,000) equity shares of Rs.10/- each	-	7,000,000.00
26). SRS Equities India Ltd. Nil (Previous year 4,000) equity shares of Rs.10/- each	-	2,000,000.00
27). SRS Professional Services Ltd. 7,830 (Previous year 7,830) equity shares of Rs.10/- each	3,915,000.00	3,915,000.00
28). SRS Modern Sales Ltd. 4,73,500 (Previous year 4,74,250) equity shares of Rs.10/- each	4,735,000.00	4,742,500.00
29). Akriti Realtech Ltd. 1,48,620 (Previous year Nil) equity shares of Rs.10/- each	80,292,500.00	-
30). Avon Marktrade P Ltd 69,456 (Previous year Nil) equity shares of Rs.10/- each	34,728,000.00	-
31). Bholeji Infratrade Pvt Ltd 5,100 (Previous year Nil) equity shares of Rs.10/- each	2,550,000.00	-
32). Champion Sales Agencies Pvt. Ltd. 6,870 (Previous year Nil) equity shares of Rs.10/- each	3,435,000.00	-
33). Decent Tradecom Pvt. Ltd 22,310 (Previous year Nil) equity shares of Rs.10/- each	18,655,000.00	-
34). Destiny Gems & Jewellers Pvt. Ltd 33,680 (Previous year Nil) equity shares of Rs.10/- each	16,840,000.00	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31-Mar-12	31-Mar-11
35). Fancy Multitrade P.Ltd. 5,10,904 (Previous year Nil) equity shares of Rs.10/- each	25,545,200.00	-
36). Akarshan Multitrade P. Ltd 2,966 (Previous year Nil) equity shares of Rs.10/- each	1,483,000.00	-
37). Ferro Plast Limited 900 (Previous year Nil) equity shares of Rs.10/- each	450,000.00	-
38). Frontier Commercial Co.Ltd. 11,706 (Previous year Nil) equity shares of Rs.10/- each	5,853,000.00	-
39). Kushagra Sales Agencies Pvt. Ltd. 18,230 (Previous year Nil) equity shares of Rs.10/- each	9,115,000.00	-
40). Logical Sales Agencies Pvt. Ltd. 32,902 (Previous year Nil) equity shares of Rs.10/- each	16,451,000.00	-
41). Madhav Bullions & Jewellers P. Ltd 1,580 (Previous year Nil) equity shares of Rs.10/- each	790,000.00	-
42). NKR Infrastructure P. Ltd. 17,010 (Previous year Nil) equity shares of Rs.10/- each	7,002,000.00	-
43). Omega Jewellers Pvt. Ltd. 22,600 (Previous year Nil) equity shares of Rs.10/- each	11,300,000.00	-
44). Optimistic Trading Co. Ltd. 2,850 (Previous year Nil) equity shares of Rs.10/- each	1,425,000.00	-
45). Prayas Gems & Jewellers Pvt. Ltd. 3,790 (Previous year Nil) equity shares of Rs.10/- each	1,895,000.00	-
46). Prominent Multitrade Pvt. Ltd 45,324 (Previous year Nil) equity shares of Rs.10/- each	22,662,000.00	-
47). Richi Look Marketing Pvt. Ltd. 28,078 (Previous year Nil) equity shares of Rs.10/- each	14,039,000.00	-
48). Srishti Tracon P. Ltd 8,720 (Previous year Nil) equity shares of Rs.10/- each	4,360,000.00	-
49). Sucon India Ltd. 32,900 (Previous year Nil) equity shares of Rs.10/- each	8,986,400.00	-
50). Supersonic Sales Agencies Pvt. Ltd. 75280 (Previous year Nil) equity shares of Rs.10/- each	36,540,000.00	-
51). Trustworthy Sales Agencies P. Ltd. 18,853 (Previous year Nil) equity shares of Rs.10/- each	9,426,500.00	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31-Mar-12	31-Mar-11
52). Upright Enterprises Ltd. 70,475 (Previous year Nil) equity shares of Rs.10/- each	14,095,000.00	-
53). Vardan Sales Agencies Pvt. Ltd. 7,880 (Previous year Nil) equity shares of Rs.10/- each	3,940,000.00	-
54). Vijay Finlease Ltd 39,500 (Previous year Nil) equity shares of Rs.10/- each	3,950,000.00	-
55). SRS Gems & Jewellery Ltd. 7,600 (Previous year Nil) equity shares of Rs.10/- each	570,000.00	-
56). Arambh Tradecom Pvt Ltd . 28,170 (Previous year Nil) equity shares of Rs.10/- each	14,085,000.00	-
57). MSR Marketing Ltd 58,184 (Previous year Nil) equity shares of Rs.10/- each	12,290,300.00	-
Long Term, quoted, Non-Trade - At Cost		
Mutual Funds		
DSP Blackrock World Energy Fund 48,899.75 (Previous year 48,899.75) units of Rs. 10 each	500,000.00	500,000.00
Investment in Immovable Property	3,199,400.00	3,199,400.00
	780,127,100.00	626,302,200.00
Less: Provision for diminution in the Value of Investment	-	9,340.00
	780,127,100.00	626,292,860.00
Note:- All the investments in shares & mutual funds are fully paid up.		
Aggregate Value of Quoted Investments	500,000.00	500,000.00
Market Value of Quoted Investments	500,000.00	490,660.00
Aggregate Value of Unquoted Investments	776,427,700.00	622,602,800.00

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars

31-Mar-2012

31-Mar-2011

Note 2.10: Long Term Loans & Advances

Loans and Advances towards Financing Activities
(Secured, considered good, unless otherwise stated)

448,480,537

202,828,314

448,480,537

202,828,314

Note 2.11: Other Non-Current Assets

Security Deposits
Advance for Investments

12,000

64,269

11,830,000

2,330,000

11,842,000

2,394,269

Note 2.12: Inventories

(As Verified, Valued and Certified by the Management)
Stock-in-trade

202,666,877

264,065,803

202,666,877

264,065,803

Note 2.13: Trade Receivable (Unsecured, considered good)

Debts outstanding for a period exceeding six months
Other Debts

-

100,116

505,000

41,715

505,000

141,831

Note 2.14: Cash & Cash Equivalents

Cash on Hand
Balances with schedule banks
-in Current Account
-in Deposit Account *
*Pledged with Sales Tax Authorities

424,693

1,222,376

772,241

768,120

100,000

100,000

1,296,934

2,090,496

Note 2.15: Short Term Loans & Advances

Loans and Advances towards Financing Activities
(Unsecured, Considered Good, unless otherwise stated)
Advance to suppliers
Advance payment of Income Tax
Security Deposit

73,037,003

295,325,492

1,113,522

-

12,665,270

8,843,988

-

486,989

86,815,795

304,656,469

Note 2.16: Other Current Assets

Interest Accrued on FDR
Prepaid Expenses

14,782

4,409

26,235

39,181

41,017

43,590

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)

Particulars	31-Mar-2012	31-Mar-2011
Note 2.17: Revenue from Operations		
Sales of Shares	172,831,835	269,135,369
Interest on loans & Advances under Financing Activities	60,932,475	58,363,389
Income from Syndication services	17,361,585	42,484,415
	251,125,895	369,983,173
Note 2.18: Other Income		
Dividend Income	3,654,115	1,774,717
Profit/Loss on Capital Assets	-	120,412
Profit on sale of Investments	10,486,450	50,800
Provision for diminution in value of Investment	-	9,340
Other non-operating income	677,001	1,851,198
	14,817,566	3,806,467
Note 2.19: Change in Inventories		
Closing Stock		
Securities held for Resale	202,666,877	264,065,803
Opening Stock		
Securities held for Resale	264,065,800	249,941,311
	61,398,923	(14,124,492)
Note 2.20: Employee Benefit Expense		
Salaries & Wages	5,289,581	4,926,786
Contribution to Provident & other Funds	168,904	185,525
Staff Welfare Expenses	133,870	69,739
Provision for Employees Benefits	48,957	227,964
	5,641,312	5,410,014
Note 2.21: Finance Cost		
Interest on:		
- Term Loans	122,128	95,364
- Cash Credit/Overdraft	57,764,353	26,705,778
- Unsecured Loans and Others	1,745,563	832,627
Bank Charges and Other Financial Expenses	1,194,863	683,778
	60,826,907	28,317,547
Note 2.22: Other Expenses		
Lease Rent Paid	266,520	60,000
Repair and Maintenance - Others	368,570	192,809
Rates & Taxes	35,913	8,000
AGM Expenses	55,997	46,381
Listing Expenses	296,836	296,836
Software Expenses	-	2,406,978
Loss on Sale of Fixed Assets	63,182	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)

Particulars	31-Mar-2012	31-Mar-2011
Insurance Expenses	80,223	66,079
Printing and stationery	246,870	244,990
Telephone Expenses	26,402	49,257
Auditors' Remuneration (Refer Note No. 2.34)	112,360	110,300
Legal & Professional Expenses	450,981	425,479
Postage & Stamp	77,649	26,100
Donation	250,600	230,000
MTM Margin, Brokerage & Other Trading Charges	14,238,668	12,196,023
Travelling & Conveyance Expenses	262,950	399,595
Advertisement	59,441	74,426
Miscellaneous Expenses	140,140	119,706
	17,033,302	16,952,959

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2012

2.23 Contingent Liabilities

Contingent liability not provided for in respect of :-

(Amount in ₹)

Particulars	As at 31.3.2012	As at 31.3.2011
Corporate Guarantee	55,90,00,000	30,00,00,000
Outstanding Bank Guarantee	1,00,000	1,00,000

2.24 The requisite particulars in respect of secured borrowings are as under:-

Security Clause and terms of repayment for:-

Long Term Borrowings

Particulars	As at 31 st March 2012	As at 31 st March 2011	Security Clause	Terms of Repayment
AXIS Bank			Secured against	Repayable within
Balance Outstanding:-			hypothecation of	36 equal monthly
Current maturity	5,90,839	Nil	vehicle of the	installment of
Non-Current Maturity	13,89,561	Nil	Company	₹ 66,200.
ICICI Bank			Secured against	Repayable within
Balance Outstanding:-			hypothecation of	36 equal monthly
Current maturity	7,00,637	6,40,736	vehicle of the	installment of
Non-Current Maturity	3,05,213	10,09,624	Company	₹ 63,572.

Short Term Borrowings

Particulars	As at 31 st March 2012	As at 31 st March 2011	Security Clause
Cash Credit Facility			
Corporation Bank	24,55,43,280	9,95,25,475	Secured against Hypothecation of Inventory cum book debts/current assets. The facility is further secured by Equitable Mortgage of certain properties of SRS Real Estate Limited and Personal Guarantee of Chairman of SRS Group - Dr. Anil Jindal
Loan against Securities (LAS)			
Religare Finvest Ltd.	12,87,15,525	15,04,46,548	Loan against Securities Facility is secured against stock of Securities.

2.25 Unadmitted Claims

There has been a demand of ₹ 23,77,572/- raised by the Income Tax Department for the financial year 1996-97. The company is contesting the same at Income Tax Appellate Tribunal, New Delhi and the management understands that there exists a very strong case in its favour and, therefore, no provision had been made against it. In the meanwhile the company has paid ₹12,00,000/- under protest to the department and for balance amount, stay has been obtained from the department.

There has been a demand of ₹ 23,15,157/- raised by the Income Tax Department for the financial year 2008-09. The company is contesting the same at Income Tax Commissioner (Appeal). No provision had been made against it. In the meanwhile the company has paid ₹11,57,600/- under protest to the department and for balance amount, stay has been obtained from the department.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2012

- 2.26 a) Amount due to Micro Enterprises and Small Enterprises by the Company, comprises of the following: (Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
Principal amount unpaid	-	-
Interest due on above	-	-

- b) No interest payments have been made during the year.
- c) The above information and that given in "Trade Payables" shown in Balance sheet regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

- 2.27 The management is of the opinion that none of the assets of the company has suffered from impairment during the period.

- 2.28 Company has not incurred any expenses in foreign currency during the year.

- 2.29 **Directors' Remuneration** (Amount in ₹)

Particulars	2011-12	2010-11
Directors' Remuneration	3,63,600	3,63,600

- 2.30 **Employee's Benefits**

The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on March 31, 2012).

- Net employee benefits expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2012)** (Amount in ₹)

Particulars	Gratuity		Earned Leave	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	78,964	82,738	38,362	31,740
Interest Cost	32,447	17,144	10,439	4,982
Expected return on plan assets	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gain)/loss recognized in the year	(90,884)	67,547	(20,371)	32,898
Net benefit expense	20,527	1,67,429	28,430	69,620

- Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2012**

(Amount in ₹)

Particulars	Gratuity		Earned Leave	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the end of the year	4,02,260	3,81,733	1,51,245	1,22,815
Fair Value of Plan Assets	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(4,02,260)	(3,81,733)	(1,51,245)	(1,22,815)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2012

Changes in the present value of Defined Benefit Obligation are as follows:

(Amount in ₹)

Particulars	Gratuity		Earned Leave	
	2011-12	2010-11	2011-12	2010-11
Present Value of Defined Benefit Obligation at the beginning of the year:	3,81,733	2,14,304	1,22,815	62,280
Interest Cost	32,447	17,144	10,439	4,982
Current Service Cost	78,964	82,738	38,362	31,740
Benefits Paid	-	-	-	9,085
Actuarial (gain) / loss on obligation	(90,884)	67,547	(20,731)	32,898
Present Value of Defined Benefit Obligation at the closing of the year	4,02,260	3,81,733	1,51,245	1,22,815

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below

Particulars	Gratuity		Earned Leave	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	8.50%	8.00%	8.50%	8.00%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	6.00%	5.50%	5.50%	5.50%
Rate of Return on Plan Assets	NA	NA	NA	NA
Average Outstanding Service of Employees upto Retirement (years)	22.87 Years	24.14 Years	22.87 Years	24.14 Years

Contribution to Defined Contribution Plans:

(Amount in ₹)

Particulars	2011-12	2010-11
Provident fund	1,68,904	1,57,645

2.31 Management considers that all the Current Assets, Loans & Advances are fully recoverable at the value at least equal to the value disclosed in the books and there is no other than temporary diminution in the value of long term Investments.

2.32 Deferred Tax Assets and Liabilities

In view of the Accounting Standard-AS-22 "Accounting for Taxes on Income", the deferred tax assets /liabilities as at March 31, 2012 comprise of the following major components:

(Amount in ₹)

Particulars	As at 31.3.2012	As at 31.3.2011
Fixed Assets	3,77,365	5,51,819
Deferred Tax Liability (A)	3,77,365	5,51,819
Provision for Gratuity & Leave Encashment	1,71,033	1,63,701
Deferred Tax Asset (B)	1,71,033	1,63,701
Net Deferred Tax Liability/(Assets) (A-B)	2,06,332	3,88,118

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2012

2.33 Segment Reporting

The Company is a "NBFC" and have two reportable segments namely "Securities & Investments" and "Finance activities".

Segment information as required by Accounting Standard - Segment Reporting (AS-17) is given hereunder:- **(Amount in Lacs)**

S. No.	Particulars	Finance Activities	Securities & Investment	Unallocable	Total
1	Segment Revenue	782.94 (583.64)	1,869.72 (3,116.70)	6.77 (37.55)	2,659.43 (3,737.89)
2	Segment Expenses	61.83 (27.53)	1,867.07 (3,270.51)	10.01 (48.10)	1,938.91 (3,346.14)
3	Segment Profit	721.11 (567.71)	2.65 (-) (165.41)	(-) 3.24 (-) (10.55)	720.52 (391.75)
	Less: Financial Expenses				608.27 (283.18)
	Profit Before Tax				112.25 (108.57)
	Less: Provision For Taxation				31.71 (43.51)
	Profit after Tax				80.54 (65.06)
4	Carrying amount of Segment Assets	5,227.16 (4,981.54)	9,963.53 (8,927.62)	295.63 (267.28)	15,486.32 (14,176.44)
5	Carrying amount of Segment Liabilities	2,455.43 (995.25)	1,287.16 (1,504.47)	45.46 (58.99)	3,788.05 (2,558.71)

Note:- Figures given in the bracket are of previous year.

2.34 Auditor's Remuneration

(Amount in ₹)

Particulars	2011-12	2010-11
Statutory Audit Fees	84,270	82,725
Tax Audit Fees	28,090	27,575
Total	1,12,360	1,10,300

2.35 Related Party Transactions

As per Accounting Standard (AS)-18 "Related Party Disclosures", the Company's related parties and transactions are disclosed below:

(a) List of related parties & relationships, where control exists:

- Holding/ Subsidiary/ Associate Companies: None

(b) Related parties & relationships with whom transactions have taken place during the year:

1) Key Management Personnel (KMP)

i. Mr. Dinesh Kumar Khatri - Whole Time Director

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2012

2) Enterprises owned or significantly influenced by KMP and/or their Relatives

i. SRS Limited

(c) Transactions with related Parties

S. No.	Name of the Party	Nature of Transaction	2011-12 Amount ₹	2010-11 Amount ₹
1	SRS Limited	Purchase of Investments	5,70,000	-
		AGM Expenses	55,997	1,20,431
		Rent received	-	3,64,500
		Advance given	-	6,81,010
		Sale of Fixed Assets	-	52,53,421
		Purchase of Fixed Assets	-	44,34,435
		Sale of Material	-	4,29,923
		Transfer of Party Account	-	3,75,000
		Reimbursement of Expenses	-	3,10,739
		Closing Balance	-	-
2	Mr. Dinesh Kumar Khatri	Sundry Debtors	-	1,41,831
		Director's Remuneration	3,63,600	3,63,600

2.36 "Earning per Share" computed in accordance with Accounting Standard -20.

(Amount in ₹)

Particulars	2011-12	2010-11
a) Numerator		
Net profit after taxation as per profit and loss A/c	80,53,665	65,05,993
b) Denominator		
Weighted average no. of equity shares outstanding for: -Basic & Diluted	9,81,21,593	9,81,21,593
c) Earning per share (EPS) (Face value of ₹ 10 each)		
-Basic & Diluted	0.082	0.066

2.37 Previous year figures have been redrawn to confirm to the current year's classification as per the notification of revised Schedule VI under the Companies Act, 1956 for the financial year commencing on or after April 1, 2011.

As per our report of even date attached.

For Naresh Jai & Associates

(Chartered Accountants)
Firm Regn. No. 019082N



(CA Naresh Goyal)

Partner
M. No. 501487

Place: Faridabad
Date: 23.07.2012

For and on behalf of the Board



(Raju Gupta)
(Managing Director)
DIN-00006972



(Dinesh Kumar Khatri)
(Whole Time Director)
DIN-00006162



(Rakhi Mehta)
(Company Secretary)
Membership No. 19978

SCHEDULE TO THE BALANCE SHEET OF A NON- DEPOSIT TAKING NON-BANKING FINANCING COMPANY.

(As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007

(₹ in Lacs)

Particulars	As on 31.03.2012	
Liability Side		
(1) Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
(a) Debentures:		
Secured	Nil	-
Unsecured (other than falling within the meaning of public deposits*)	Nil	-
(b) Deferred Credits	Nil	-
(c) Term Loans	30.09	-
(d) Inter-Corporate Loans and Borrowings	Nil	-
(e) Commercial Loan	Nil	-
(f) CC Limit	2,455.43	-
(g) Loan against Securities Facility	1287.15	-
(h) Others	Nil	-
Assets Side		
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below)		
(a) Secured	4484.80	-
(b) Unsecured	730.37	-
(3) Break-up of Leased Assets and Stock on hire and other assets counting towards AFC activities		
(i) Lease Assets including lease rentals under sundry debtors	-	-
(a) Finance Lease	Nil	-
(b) Operating Lease	Nil	-
(ii) Stock on hire including hire charges under sundry debtors	-	-
(a) Assets on hire	Nil	-
(b) Repossessed Assets	Nil	-
(iii) Other loans counting towards AFC activities	-	-
(a) Loans where assets have been repossessed	Nil	-
(b) Loans other than (a) above	Nil	-
(4) Break-up of Investments		
Current Investments		
(1) Quoted:		
(i) Shares:		
(a) Equity		Nil
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of Mutual Funds		Nil
(iv) Government Securities		Nil
(v) Others		Nil

(2)	Unquoted:		
(i)	Shares:		
	(a) Equity		Nil
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		Nil
(iv)	Government Securities		Nil
(v)	Others		Nil
	Long term Investments:		
(1)	Quoted:		
(i)	Shares:		
	(a) Equity		Nil
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		5.00
(iv)	Government Securities		Nil
(v)	Others		Nil
(2)	Unquoted:		
(i)	Shares:		
	(a) Equity		7764.27
	(b) Preference		Nil
(ii)	Debentures and Bonds		Nil
(iii)	Units of Mutual Funds		Nil
(iv)	Government Securities		Nil
(v)	Others (Investment in Immovable Property)		31.99

(5) Borrower group wise classification of assets financed as in (2) and (3) above:-		As on 31.03.2012		
		Amount (Net of provision)		
Category		Secured	Unsecured	Total
(1)	Related Party**			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related party	Nil	Nil	Nil
(2)	Other than related party	Nil	Nil	Nil
	Total	Nil	Nil	Nil

** As per Accounting Standard -18 of ICAI

(5) Investor group wise classification of all Investments (Current and Long term) in shares and securities (both quoted and unquoted)		As on 31.03.2012	
		Market Value/ Break-up or fair value or NAV*	Book value(Net of Provisions)
Category			
(1)	Related Party**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related party	47.35	47.35
(2)	Other than related party	7,721.92	7,721.92
	*Cost is considered where market value is not available	-	-
	** As per Accounting Standard -18 of ICAI		

Other Information		
Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related party	Nil
(ii)	Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related party	Nil
(iii)	Assets acquired in satisfaction of debts	Nil

NOMINATION FORM TO BE FILLED IN BY INDIVIDUAL(S)

To,

SRS Finance Ltd.
C/o Beetal Financial & Computer Services (P) Ltd.
BEETAL HOUSE, 3rd Floor,
99, Madangir, Behind Local Shopping Centre,
New Delhi – 110062

From : Name of the Shareholder and address

Folio No./DPID* _____
No. of Shares _____

I am/We are holder(s) of Shares of the Company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of Equity Shares shall vest in the event of my/our death.

Nominee's name						Age			
To be furnished in case the nominee is minor		Date of Birth							
Guardian's Name & Address									
Occupation of Nominee (✓)		1. Service		2. Business		3. Student		4. Household	
		5. Professional		6. Farmer		7. Others			
Nominee's Address									
				Pin Code					
Tel. No.				Fax No.					
Email Address				STD Code					
Specimen signature of Nominee/Guardian (in case nominee is a minor)									

Kindly take the aforesaid details on record.

Thanking You,
Yours Faithfully,

Name (s) of equity shareholder(s) [as appearing on the Certificate(s)]		Signature (as per specimen with Company)	
Sole/1st holder			
2nd holder			
3rd holder			
Witnesses (two)			
Name & Address of Witness		Signature & Date	
1.			
2.			

- Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
- The nomination can be made by individuals only. If the Shares are held jointly, all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- A minor can be nominated by a holder of Shares and in that event the name & address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
- Transfer of Shares in favor of a nominee shall be a valid discharge by a Company against the legal heir(s).
- Only one person can be nominated for a given folio.
- Details of all holders in a folio need to be filled; else the request will be rejected.
- The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
- Whenever the Shares in the given folio are entirely transferred or dematerialized, then this nomination will stand rescinded.
- Upon receipt of a duly executed nomination form, the Registrar & Transfer Agent (RTA) of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- The nomination can be varied or cancelled by executing fresh nomination form.
- The Company will not entertain any claims other than those of a registered nominee, unless so directed by Court.
- The intimation regarding nomination/nomination form shall be filed in duplicate with the RTA of the Company who will return one copy thereof to the Shareholder.
- For Shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.

FOR OFFICE USE ONLY

Nomination Registration Number	
Date of Registration	
Checked by (Name & Signature)	

SRS FINANCE LIMITED.

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad (NCR Delhi)- 121007

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

Name and Address of the Shareholder

I hereby record my presence at the 18th Annual General Meeting of the Company held on Saturday, 29th September, 2012 at 11.30 A.M at "SRS Banquet", Near SRS Multiplex, City Centre, Sector-12, Faridabad (NCR Delhi)- 121007

Signature of Shareholder/Proxy

* Applicable for investors holding shares in dematerialized form.

SRS FINANCE LIMITED.

Regd. Office: SRS Multiplex, Top Floor, City Centre, Sector-12, Faridabad (NCR Delhi)- 121007

PROXY

I/Webeing
Member/Members of **SRS FINANCE LIMITED.** hereby appoint.....(or failing
him.....of.....
.....) as my/our Proxy to attend and
vote for me/our behalf at the 18th Annual General Meeting of the Company to be held on Saturday, 29th September,
2012 at 11.30 A.M at "SRS Banquet", Near SRS Multiplex, City Centre, Sector-12, Faridabad (NCR Delhi)- 121007
and at any adjournment thereof.

Signed thisday of.....2012

Signature _____

Reference Folio No. / DP ID & Client ID*

No. Of Shares _____

* Applicable for investors holding shares in dematerialized form.

Affix here
One Rupee
Revenue Stamp

Note: This Form in order to be effective should be complete and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

If undelivered, please return to :

SRS FINANCE LIMITED

REGD. OFFICE: SRS Multiplex, Top Floor, City Center,

Sector - 12, Faridabad (NCR Delhi) - 121007

P 0129-4282801-808 **F** 0129-4282809-10

W www.srsparivar.com